

From: Brian Kelly
To: Microsoft ATR
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Subject: Microsoft Settlement

Well, I must that I have a mixed reaction to the proposed "settlement". First off, just from a philosophical point of view, I can understand Microsoft's contention that the added functionality provided was simply giving the end user more for their dollar.

And I must also say that much of this litigation has sounded like propped up "sour grapes" from Mr Barksdale and Netscape, however, there are other issues which this litigation didn't even attempt to address which is quite simply,

"How did Microsoft's behavior in obtaining exclusive contracts to access points, web server services, and by contracting with numerous supposedly independent Internet Service Providers affect the access market?"

Much of the debate has centered around whether Microsoft's integration of additional software functionality was a violation of the Law, however you folks don't see the true strategy behind Microsoft's latest initiative.

You seem to believe that they don't care how the people connect, they simply want to be able to control the market once they do. And since there are numerous access "players" in the market, everything must be honky dorey.

I think if you did a little more "investigative" work instead of spending your time juggling through mounds of paperwork, you'd understand the true "intentions" of this corporation. Anybody even tangentially involved in this industry sees it as plain as day, unless they've been too befuddled by their overreliance on a single application.

They, meaning Microsoft, don't mind the antitrust ruling at all, since it still allows them to be probably the largest player in the access business. And access in combination with the leasing of Ware products, not HOME INSTALLED SOFTWARE, is what it's going to be all about in the coming years folks.

Sure they'll sell their lion's share of standalone Office products, but office has competitors. With Microsoft's Cash reserves, and their ability to institute the forthcoming "passport" system, their jewel has slipped right under your eyes folks.

They will argue there are thousands of Independent Access Providers, however, Microsoft is now poised not only to dominate the desktop but to

dominate the very market which we all foolishly thought would be a free, more open way of doing business, the Internet itself and how people connect with each other.

But if you want my opinion on the case before the court, this seems like a bunch of litigation over whether Netscape is better than IE. So since it's simply a squabble between two companies who both were given access to the Public Markets in the form of Stock Issues, warrants and the rest, there won't be much sympathy in the end user community for either player.

The question actually centers on this, "Why shouldn't Microsoft be allowed to extend their product beyond the traditional sit at home and type on the computer realm?" Why shouldn't Microsoft be able to compete for the very market that their desktop systems helped to create, almost by mistake.? I don't think even years ago the computer industry realized how big a market to the home user, independent internet "access" would be.

So not only will Microsoft control the method of displaying web pages, via ISS, and their rolling out versions of ASP and .NET, but they will also be able to track every single consumer in the form of either their passport system or through acquisitions such as Hotmail and other services. Microsoft is probably the least concerned with end user privacy of any company in the market. They print out nice little privacy policies and the rest but behind the scenes I think we all know what they're going after.

I don't know if it's exactly the "freedom to innovate" scenario Bill likes to describe, but I'd be more concerned with Microsoft's behavior in dealing with the actual access points including the telecommunications providers, backbone providers (UUNet), Qwest, etc etc, then I would be with Microsoft's dealings when it comes to simply producing standalone applications like Office and IE.

Because we all know, unless we're floating around in some sort of self induced trance, that the Bottleneck is where it's going , not the standalone "blip blip blip" of typing your self printed flyer for your local yard sale.

I applaud the DOJ's efforts, but I must say folks that in some respects, you missed the boat. Microsoft will go on, and they will be stronger than ever. Nice try though, who could expect a bureaucratic organization like the DOJ to actually have any clue about what's really going on besides typing complaints with footnotes on their Microsoft Word desktops provided by Michael Dell.

